

**Opening Statement of
Bob Smith
Before the
Subcommittee on Oversight and Investigations of the
House Energy and Commerce Committee
January 26, 2006**

Chairman Whitfield, Congressman Stupak, Subcommittee members:

I thank you for inviting me to appear today before the Subcommittee.

My name is Bob Smith and I am Senior Vice President for Operations for the Texas/Gulf Coast Region for Tenet Healthcare. Tenet Healthcare owns 69 hospitals across the country. We own six hospitals in the Katrina impact zone. In downtown New Orleans, in addition to Memorial Medical Center, there is Lindy Boggs Medical Center, a 188-bed hospital first opened in the 1920s as Mercy Hospital, and which includes the Transplant Institute of New Orleans. In nearby Jefferson Parish, we operate Kenner Regional Medical Center, a 203-bed acute care community hospital in Kenner, and Meadowcrest Hospital, a 207-bed general medical and surgical acute care facility in Gretna. NorthShore Regional Medical Center is a 174-bed acute care hospital located on the north shore of Lake Pontchartrain in Slidell. Finally, in Biloxi, Mississippi, there is Gulf Coast Medical Center, which consists of a 189-bed medical and surgical acute care facility and a 45-bed behavioral health facility. Prior to Katrina, together these hospitals employed approximately 5000 people with an annual payroll in excess of \$230 million, worked with 2500 affiliated physicians, and paid nearly \$16 million per year in state and local taxes.

I have been asked by the Subcommittee to speak to Tenet's corporate-level response to Katrina, and to offer some recommendations on dealing with future emergency situations.

I have worked in hospital management for over 28 years. In that time, I have had many experiences planning for and handling emergencies. That said, I have never experienced any emergency that approaches the gravity and magnitude of Katrina. For our five hospitals in New Orleans, the damage inflicted by the storm itself was not significantly greater than other hurricanes weathered by Tenet hospitals in the past, but the catastrophic flooding that resulted due to failed levees completely destroyed the entire city and region. Federal, state, and local governments were overwhelmed in their efforts to evacuate tens of thousands of citizens, and the resulting sense of chaos and desperation led to lawlessness and civil unrest.

What was unique about Katrina was the scope of the disaster. More typical emergencies impact a local area, and resources can be readily brought to the facility and patients moved to other nearby hospitals. In contrast, Katrina affected every hospital in New Orleans, flooding made reaching some hospitals difficult or impossible, and multiple hospital evacuations caused competing demands for all emergency services and private assets that could be used to aid evacuations.

Emergency preparedness has been a priority for our hospitals. Over the years we have invested a great deal of resources in developing plans for many different situations and conducting emergency preparedness training in conjunction with local public safety officials. But the devastation caused by Katrina was truly unprecedented. In a (for lack of a better term) normal emergency – be it a hurricane, earthquake, tornado or other event

– severe damage tends to be relatively localized and the emergency response system focuses on getting resources such as command, communication and rescue teams into the affected area. In the rare event that such damage requires the complete evacuation of a hospital, other unaffected facilities nearby move rapidly to accept evacuated patients and absorb the influx of victims seeking emergency treatment. Yet as we all know, Katrina was not a normal emergency. It involved the complete evacuation of an entire urban center, much of it reachable only by boat or air, in an area surrounded by hundreds of other communities that had also been devastated by the storm. Simply put, the situation completely overwhelmed government officials and private citizens at every level. For hospitals in New Orleans, especially those in the flood zone, that meant moving thousands of critically ill patients hundreds of miles, often with little or no assistance or guidance from emergency officials.

At the time of Katrina, our Louisiana and Mississippi hospitals had updated preparedness plans for hurricanes, electrical power interruption, floods, communications failure, and facility evacuation. These plans were developed in close coordination with the Metropolitan Hospital Council, the Office of Community Preparedness and other public safety officials. All of the plans contemplate coordination with local public safety officials, such as fire, police, the Metropolitan Hospital Council and the Office of Community Preparedness.

In the days before Katrina made landfall, all six of our Gulf Coast hospitals implemented their emergency response plans. Ambulatory patients were discharged, elective surgeries were cancelled, and non-essential personnel were sent home and advised to comply with official evacuation orders. Generators were checked, fuel was

delivered, and the hospitals stocked up on food, bottled water, medical and other supplies to support patients and staff for up to four days. Senior corporate officials and I held conference calls with the hospital management teams to check on preparations.

Things went pretty well throughout the storm on Monday. Power was lost to the facilities, but back-up generators kept critical systems running. There were sporadic communications problems. A last minute change in the storm's direction focused the heaviest winds on Biloxi, and damage to Gulf Coast Hospital, located only a few blocks from the water, resulted in a decision to evacuate that facility immediately following the hurricane.

But as daylight came on Tuesday, we were pleased to find that our five New Orleans hospitals emerged with only moderate damage. Like everyone in the city, we thought we had “dodged the bullet” and that recovery crews would soon have everything back on the road to normal. When the levees were breached on Tuesday, however, situations rapidly deteriorated across the city and at our hospitals. Our hospitals were soon inundated with people and water, or they became isolated islands surrounded by flood waters. This overwhelming force of nature also brought about a virtual collapse of the city's infrastructure, leaving hospitals without power and with temperatures in excess of 100 degrees, with virtually no water service, and with little available and efficient access to provide supplies and assistance to address critical health care issues.

As a result:

- Memorial and Lindy Boggs were facing immediate and severe flooding issues with no short-term guarantee of assistance or help available;

- Kenner and Meadowcrest had major public infrastructure issues and growing safety concerns;
- Gulf Coast, which had been hardest hit by the hurricane winds, would have to evacuate; and,
- NorthShore, which remained open, effectively became a field hospital because of the influx of patients from the surrounding area.

To address these very different situations, we assembled 2 major command centers:

- One at NorthShore to help provide immediate guidance on the ground closest to the disaster. This command center was key to ensuring that we could continue to serve the critical needs of the people during this unprecedented time. It is important to note that although NorthShore was several miles away from the lake, there were numerous water and flooding issues nearby that made conditions in Slidell treacherous and dangerous as well. Given all the issues – the flooding of New Orleans, the need for assistance, and the mass exodus – NorthShore became overwhelmed with people. The hospital CEO, Mike O’Bryan, later recounted of those days, “We started getting people in from all directions. Some walked in, some swam in. Helicopters were setting down on campus for the next 24 hours, and we had no idea what they were bringing us – trauma, gunshot wounds ... most of them were the walking wounded. At that point, we turned every building into an acute

field hospital. Some folks were on stretchers in the hall. We had folks lined up everywhere. We were practicing field medicine.”

- Also during this time, Tenet set up a corporate command center in Dallas. The corporate command center consisted of about 50 company reps from finance, HR, security, government relations, communications, travel, and supply logistics departments. Through this effort we oversaw the strategic plan to begin the resupply of NorthShore, coordinating airlifts of supplies and personnel into NorthShore. We also had extensive communications with governmental authorities regarding evacuation plans. This center also evolved as the strategy center after we received a phone call on early Wednesday morning.

In my office on Wednesday morning, I received a phone call from the Office of Emergency Preparedness indicating that if we wanted our patients, staff, and family members evacuated quickly, we should attempt to do it using private assets given the extraordinary strain on that office’s resources. The corporate command center became vital to ensuring that we could do that. After that call, I notified our CEO who quickly consulted with Ross Perot, Jr. to obtain an overview on undertaking a massive evacuation effort, including the necessity of procuring security personnel to protect our patients and staff at our facilities. With the command center coordinating resources, we arranged for helicopters, air ambulances and supplies for the major evacuation and resupply effort.

Through the coordinated efforts and hard work of many people, those tasks were achieved. In retrospect, we are grateful and humbled by the humanitarian efforts we witnessed.

By late Wednesday night, Tenet's friends and contractors had airplanes, helicopters, buses and ambulances headed to the New Orleans area in full force.

- Eight airplanes, five helicopters, 50 buses, 26 ambulances and 32 security personnel were used to support the private rescue and resupply effort.
- Cigna provided a jet for Tenet's use, as well as three semi-trucks of food and supplies.
- British Petroleum donated 1,000 gallons of unleaded gas and 300 gallons of diesel to help keep NorthShore's evacuation efforts functioning.
- Aviation Services in Dallas provided five helicopters that ran multiple trips, moving personnel and supplies in and out of NorthShore.
- Acadian Ambulance, one of the first private responders on the ground to assist Tenet, provided ambulances.
- Dr. Kip Schumacher, a practicing physician, provided three trucks of supplies and helped with local communications in the area.

We witnessed greatness from so many of our business partners and friends, and it was truly amazing to see how they responded in our time of greatest need.

Within our own corporation, many employees gave so much of themselves, going above and beyond, to try and help those in need as well.

At corporate headquarters, an Employee Disaster Assistance Center was created to handle the flood of calls from employees and families ranging from trying to reunite with loved ones to obtaining emergency pay checks to looking for temporary employment. We had many employees who volunteered to work after hours, in addition

to their regular jobs, to help staff phone lines or to do whatever they could to help during these difficult times.

More than 1,000 employees from across the country volunteered through a corporate web site to provide assistance. Some of those employees were mobilized to fly in to relieve teams of exhausted health care providers and employees at NorthShore, many of whom worked virtually around the clock for several days without rest until relief arrived.

Through this substantial effort, by Thursday evening;

- Lindy Boggs had been evacuated with air assistance from the Fire Department and local residents using boats.
- Memorial and Meadowcrest patients had been evacuated; and
- Kenner's evacuation was complete by about 8 p.m. using both ground and air resources.

In addition, private aircraft took the last of Memorial's staff and employees out by midday Friday. Then, aircraft that we had secured to help in our evacuation efforts were sent to assist with Charity, Methodist and University hospitals.

During and after the rescue, the command center also dealt with many other issues. A critical function was locating patients evacuated from or through our hospitals. This was extremely difficult, since we didn't have any reliable information on the destinations of patients not evacuated by us, and early in the disaster no government agency provided a central locator system. We also established an employee assistance center to provide housing vouchers, emergency loans, 401(k) withdrawals, and grants to displaced employees, along with job relocation assistance.

Now I would like to share with the Subcommittee a few recommendations on how local, state and federal emergency response efforts can be improved in preparation for a future disaster such as Katrina. First, we must reinforce a command-and-control structure that will provide for communication and cooperation among all levels of response. As I have already stated, the rescue needs created by Katrina throughout the Gulf Coast completely overwhelmed emergency response officials. Clear lines of authority need to be established. Without this authority, it became very difficult to get basic information on critical issues, such as obtaining flight clearance for rescue choppers, where non-patient evacuees should be taken, and even the final location of patients evacuated by the Coast Guard and others.

Second, all levels of government and the private sector should work together to ensure that communications are improved. In response to our experience with Katrina, Tenet is developing and deploying new communication safeguards and technologies to our hospitals. But that is only part of the answer. Government officials must also invest in such technology and take the lead in improving communications so that communications throughout the entire emergency response system can be maintained in the face of a disaster.

Finally, in the case of a hurricane or other disaster for which there is advance warning, critical supplies such as fuel, spare generators, food and medical supplies should be pre-staged ready for delivery into the affected area. Doing so effectively will require the cooperation of local and state emergency response officials to ensure the security of deliveries and access to the disaster zone.

I am happy to say that progress is already being made on much of this, including procedures put into affect in Texas in advance of Hurricane Rita only three weeks after Katrina.

In the months since Katrina, three of the five evacuated hospitals, Gulf Coast Medical Center in Biloxi, Mississippi, Kenner Regional Medical Center and Meadowcrest Hospital in Gretna, Louisiana have reopened for various levels of service. North Shore Regional Medical Center in Slidell, Louisiana remained open throughout despite experiencing some hurricane damage.

Memorial Medical Center and Lindy Boggs Medical Center, in the heart of New Orleans, remained flooded weeks after Katrina struck. They remain closed and full damage assessments are still under way. We have announced the development of a new NOLA regional health network to continue to serve New Orleans and to restore service to both hospitals; it is yet unknown whether that means the existing sites need to be repaired or possibly rebuilt.

Thank you again for the opportunity to address the Subcommittee. Despite the huge cost Katrina has inflicted upon our hospitals, we remain a proud citizen of the communities in which our hospitals reside, and we remain committed to them. Returning healthcare services to the citizens of the Gulf Coast is critical to the rebuilding of the historic and economically vital region. We will continue to work with federal, state and local leaders toward that end.

Thank you.